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C O N F I D E N T I A L SECTION 01 OF 04 HANOI 000823

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TAGS: PGOV PREL PHUM ECON CH KN VM

SUBJECT: INSTITUTIONAL RAMIFICATIONS OF THE 2011 PARTY CONGRESS: A STRENGTHENED NATIONAL ASSEMBLY, MORE DIFFUSE DECISION-MAKING

REF: A) HANOI 672 (BEHIND VIETNAM'S LATEST CRACKDOWN)
B) HANOI 537 (BAUXITE CONTROVERSY SPURS LEADERSHIP DIVISIONS, VIBRANT NATIONAL ASSEMBLY DEBATE)
C) HANOI 142 (VIETNAM SHELVES LOCAL ELECTIONS FOR OTHER ADMINISTRATIVE REFORMS)
D) HANOI 809 (2011 LEADERSHIP TRANSITION: LEADING CONTENDERS FOR GENDERAL SECRETARY AND PRIME MINISTER)
E) HANOI 60 (FEW SURPRISES AT THE 9TH PARTY PLENUM)
F) HCMC 236 (POLITICAL TITAN SURVIVES CORRUPTION CHARGES, POLICE, AND REPORTER)

CLASSIFIED BY: Michael Michalak, Ambassador; REASON: 1.4(B), (D)

¶1. (C) SUMMARY: Persistent talk among Vietnam's political elite of a China-style "fused executive" notwithstanding, the January 2011 Party Congress could leave power at the apex of Vietnam's Party-state system less centralized. Most political observers believe the Eleventh Party Congress may restore the position of State President to one of real power and further strengthen the National Assembly and its Chair, creating a situation where senior-most authority is shared among four individuals, rather than two. In addition, decisions on tough issues requiring full Politburo deliberation could be made more difficult to achieve, as regional considerations generate pressure for an expanded Politburo. The likely installation of new ministers of public security and foreign affairs will further complicate matters, including on key foreign policy decisions, particularly if the FM is not concurrently a member of the Politburo. This could also have implications for who governs Ho Chi Minh City.

¶2. (C) COMMENT: Vietnam's cumbersome, consensus-driven decision-making process is endlessly frustrating. Further decentralization of decision-making authority could create additional challenges for U.S. policy, as we seek to engage "the right" leaders on issues of importance to us. Given the hard-line tendencies evident in the CPV's pre-Congress politics (ref. A), however, a little gridlock might not be a bad thing. And we should welcome a stronger National Assembly, which among Vietnam's governing institutions is arguably evolving into the most transparent and responsive (see, for example, ref. B). END SUMMARY AND COMMENT.

A "Fused Executive," a la China?

¶3. (C) Vietnam's political and business elite constantly bemoan the lack of centralized decision-making, particularly when compared to China, and point to the need to consolidate authority. This is

the general thrust of administrative restructuring begun as pilot programs at the commune/ward level in ten provinces/cities throughout Vietnam (ref. C). At the very top, discussion most often focuses on merging the positions of General Secretary and State President to form a "fused executive" similar to that in China. Such a move would be attractive to many, who consider the absence of a single, identifiable leader -- a Hu Jintao -- to be a significant disadvantage. Speaking of his own ministry's frustrations, for example, MFA International Organizations DG Le Hoai Trung cited the decision to join consensus on the most recent DPRK sanctions resolution, which he said required approval from as many as six Politburo members. Economic decision-making is somewhat more streamlined under the direction of PM Nguyen Tan Dung, our contacts say, but even here it often is unclear where ultimate authority lies.

¶4. (C) Support for consolidating authority is offset by a long-standing fear of over-concentrated authority, a fear exacerbated by the need to balance regional and factional interests: people support having one person in charge, MPS veteran and former HCMC Mayor Vo Viet Thanh remarked, but only if that one person is from your camp. Looking specifically at 2011, none of our contacts could envision a scenario where the Party Congress and Central Committee would agree to merge the positions of General Secretary and President, given the personalities involved: On the one hand, if either of the current frontrunners (ref. D), PM Dung or Standing Secretary Truong Tan Sang, is named General Secretary, adding State President to the GS portfolio would be unacceptable for the Party's powerbrokers in the North.

If, on the other hand, a Northerner is chosen as GS, none of the

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likely contenders has the stature to assume the combined position, our contacts uniformly insist. Academic contact Nguyen Vu Tung agreed, but put the matter somewhat differently, noting that unlike in China, Vietnam's political oligarchy has never tried to identify and cultivate "generational leaders." Additionally, if current PM Dung retains his position, he most likely would not countenance seeing his authority diminished relative to a GS/President, according to Dung confidant, Saigon Investment Group Chair Dang Thanh Tam.

Vietnam's "Troika"...

¶5. (C) Far from being subsumed, the position of State President is likely to gain additional influence in 2011. Most contacts dismiss current President Nguyen Minh Triet as a ceremonial figure, but more as a consequence of his age and ill health than as a reflection on the position itself. Vietnam's State President has traditionally been considered one of Vietnam's "power troika," less prominent than General Secretary or Prime Minister, but a major force in its own right. As codified in the 1992 Constitution, Vietnam's President can for example introduce legislation and serves as Chair of the Defense and Security Council, the equivalent of China's Central Military Commission. Former General Le Duc Anh firmly established the position as a powerful one, with independent lines of patronage and authority, and there is every indication that it will regain a significant measure of this stature in 2011.

¶6. (C) Who becomes State President in turn depends on two interrelated factors: a) the selections for GS and PM, and b) the extent to which the State President is viewed as a regional balancer. By convention, the position of State President has gone to a leader from Central Vietnam. With the Politburo's sole representative from Central Vietnam, Nguyen Van Chi, expected to

retire in 2011, the leadership might reach out to

fellow Danang stalwart, Nguyen Ba Thanh, who is not on the Politburo, but who has amassed considerable influence (and wealth) as Danang Party Secretary. As the successful campaign by Hanoi insiders to block a promotion for Thanh in 2008 showed, however, he is not without highly-placed detractors (ref F). (Note: The fact that Thanh is not currently on the Politburo is not necessarily disqualifying. While the GS and PM have always been selected from the ranks of the previous Politburo, there is precedent for the President to be a first-time member: Triet's predecessor, Tran Duc Luong, then a junior DPM, was promoted to the Politburo and named President in 1997 precisely so the position could be filled by an official from the central part of the country. End note.) If the position goes to a Northerner, to balance, say, Dung or Sang, leading contenders include current National Assembly Chair Nguyen Phu Trong (discussed ref. D) or Defense Minister Phung Quang Thanh, who is widely respected within the military establishment and said to be "ambitious."

...Or is it now the "Four Pillars"?

¶7. (C) Increasingly, however, our contacts no longer speak of Vietnam's troika, but of the "four pillars": General Secretary, Prime Minister, State President, and National Assembly Chair. The final pillar, NA Chair, has become a pivotal one over the past several years, reflecting both the growing stature of the Assembly and the greater prominence and responsibilities of the Chair itself. Behind this is an odd dynamic, contacts in the legislature say, in which the National Assembly is expected both to oversee the functions of government and to respond to guidance from the Communist Party. The NA Chair acts as the primary conduit for Party guidance and also shepherd over a legislative body whose members are almost exclusively CPV members but who demand an increasingly independent role in legislative drafting, oversight,

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and constituent service. According to one of the NA's few non-Party members, Duong Trung Quoc, NA Chairman Trong has done much to boost the stature of his position. Originally considered a colorless and conservative apparatchik, Trong has not only deftly maneuvered within the Politburo to consolidate the work of his more charismatic predecessor Nguyen Van An, but has enhanced the NA's links with foreign legislatures. With all signs pointing toward an increasingly important role for the NA, the NA Chair likely will be a heavily contested prize in 2011.

New MPS and MFA Ministers, and Implications for HCMC

¶8. (C) With each of the four pillars potentially up for contention, 2011 may also see new ministers of foreign affairs and public security. The consensus front runner to replace retiring DPM/FM Pham Gia Khiem is the MFA's second-ranking official, Standing Vice Foreign Minister Pham Binh Minh. Our contacts emphasize that Minh is the only MFA official other than Khiem on the Central Committee and has a sterling CPV pedigree as the son of former FM and Paris Peace Talks negotiator Nguyen Co Thach. Perhaps most importantly, Minh reportedly has the ear of the Prime Minister. The question on most MFA officials' minds is not whether he will be selected as foreign minister, but whether Minh would also ascend to the Politburo. Though current FM Khiem has by most accounts been a lackluster representative of Vietnam's interests, his status on the Politburo provides him the type of institutional clout that his predecessor, who wasn't on the Politburo, lacked.

One contact remarked that the MFA would rather have "a dud" on the Politburo than a superstar off it, particularly when the MFA contends with the CPV External Relations Commission.

¶9. (C) Although MPS Minister Le Hong Anh will not have reached retirement age in 2011, observers familiar with the opaque world of internal MPS politics insist that he will very likely be replaced. While Anh's improbably lush, Brezhnev-esque eyebrows evoke the image of a Soviet-era security services veteran, sources with access to Politburo members say that he lacks the type of deep support within the MPS that Defense Minister Phung Quang Thanh enjoys within the military and is more engaged in broader political issues such as climate change than with traditional MPS security issues. Among the MPS's five Vice Ministers, all of whom are represented on the Central Committee, Nguyen Khang Tuan and Nguyen Van Huong are said to be more influential than Anh. Our sources say that the MPS will press to have their next minister be promoted from within, and with both Tuan and Huong expected to retire, VM Tran Dai Quang is the strongest contender.

¶10. (C) Informed sources believe Anh could replace Le Thanh Hai as HCMC Party Secretary. This is not as strange as it might at first sound: Anh is a longtime ally of PM Dung and a native Southerner -- Dung and Anh rose together through the ranks of the CPV apparatus in Kien Giang, where they each eventually served as Party Secretary -- and Anh would in no sense be viewed as an interloper. While perhaps not a commanding presence within the MPS, Anh has proven himself to be a reliable cadre and could be counted on to maintain order in HCMC, all the while ensuring himself a comfortable retirement. Our sources are less at ease speculating what this would mean for the current HCMC Party Chief. Some point to the fact that Hai survived the PCI bribery scandal, despite calls for his ouster at the 9th Party Plenum (ref. E), as evidence that he will survive on the Politburo through 2011. Others say that, after a decent interval has passed, he will be eased out.

An Expanded Politburo?

¶11. (C) If HCMC Party Secretary Hai does survive, he might be

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"kicked North" and given a relatively powerless position, as happened to Truong Tan Sang after his tenure as HCMC Chief came to an end amid the Nam Cam organized crime scandal of the late 1990s. If this happens, rather than removing Hai from the Politburo, the number of positions on the Politburo might simply be increased. A similar dynamic might be at work with the Danang Party Secretary Nguyen Ba Thanh. If Thanh is not named State President, Thanh's current position might be simply added to the Politburo to reflect Danang's standing as a major city. Contacts in Danang report that Thanh himself has been actively lobbying senior party members to recognize Danang's status, along with Hanoi and HCMC, as a "Class 1 Special City." People who mention these two scenarios point to the fact that throughout the 1990s, the Politburo had 17 to 19 members, in contrast to today's 15. Whatever the cause, an expanded Politburo would likely make decision-making even more cumbersome, given the fact that Vietnam, unlike China, no longer has a Politburo Standing Committee and some decisions require deliberation by the full Politburo, academic contacts say.

¶12. (U) This cable was coordinated with ConGen HCMC.
Michalak